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RUEHCN/AMCONSUL CHENGDU 3088  
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C O N F I D E N T I A L SECTION 01 OF 05 TAIPEI 000559

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SUBJECT: PRESIDENT MA YING-JEOU ON WHA, JAPAN  
REPRESENTATIVE, CROSS-STRAIT RELATIONS, TRAVEL PLANS, BEEF

Classified By: AIT Director Stephen M. Young,  
Reasons: 1.4 (b/d)

11. (C) Summary: President Ma Ying-jeou told the Director on May 7 that Taiwan plans to focus on participation in WHA and WHO activities for the present and not push to join other international organizations. Taiwan will proceed cautiously because Beijing is worried the WHA observership breakthrough could produce a domino effect. Taiwan would like to make contributions to the work of WHO, for example, providing medical training or providing vaccines if Taiwan is able to produce an H1N1 vaccine. According to Ma, Taiwan has established a measure of high-level trust with Beijing, which understands that his administration will not play games. Ma expressed appreciation for U.S. support on the WHA issue and the improvement of cross-strait relations. He said he is planning to go ahead with his upcoming trip to El Salvador, and predicted Japan representative Saito will have difficulty discharging his duties effectively as a result of the controversy caused by his remarks suggesting Taiwan's status is undetermined.

12. (C) Summary continued: The Director raised the beef issue. Ma said Taiwan is prepared to open its market to bone-in beef in mid-June, but Health Minister Yeh Ching-chuan wants to postpone opening the market to "ground beef" and "offals" until six months later (Ma suggested this might be reduced to 3-4 months or less). Yeh wanted time to gauge consumers' reactions to the bone-in beef opening before proceeding to full opening. The Director stressed that Washington, which is looking for full opening at one time, will be very disappointed by this two-stage proposal, and he urged Ma to push his Health Minister and give him the political support he might need to agree to full opening in one stage. Emphasizing he did not have instructions and this was purely a personal idea, the Director suggested that if Yeh insisted on his position, perhaps the package could be presented as a full market opening with the understanding there would be a short specified delay for the two categories. Ma expressed interest in this idea. End Summary.

13. (C) President Ma Ying-jeou and the Director discussed bilateral and international issues during a cordial 70-minute meeting at the Presidential Office on May 7. President Ma was accompanied by National Security Council Secretary General Su Chi, and the Director was accompanied by Deputy POL Chief (notetaker). The Director conveyed Washington's congratulations on Taiwan's breakthrough in receiving an invitation from the WHO Director-General to observe the upcoming WHA meeting in Geneva. Health and Human Services Secretary Sebelius will head the U.S. WHA delegation, and we are working on setting up a meeting with Minister Yeh Ching-chuan in Geneva.

14. (C) The Director asked Ma about Taiwan's strategy for developing cross-Straits relations and participating in international organizations. Ma said he does not want to give China the impression that Taiwan will try to move quickly and jump into other international organizations. Beijing is concerned about Taiwan's intentions and fears that the WHA breakthrough could have a domino effect on other international organizations, he explained. Therefore, Taiwan will proceed cautiously in the international arena. At the WHA meeting, Taiwan will work to make itself known to the other delegations and to explain what it can contribute in the health area. For example, Taiwan is interested in providing training opportunities to medical personnel of WHO

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members. Also, Taiwan hopes to produce an H1N1 vaccine by the end of the year and may be able to help WHO by providing vaccines to other countries. Taiwan intends to show it can play a very constructive role as a WHA observer and would like to see if it can attend other WHO activities.

15. (C) Ma attributed Taiwan's success in gaining WHA observership to three factors. First, domestic efforts, including by the DPP and past Health Ministers, were important. Second, senior KMT leaders, including Honorary Chairman Lien Chan and Chairman Wu Poh-hsiung, had mentioned the issue to PRC President Hu Jintao, and Hu included the topic in his December speech on cross-Straits policy. The third factor was international support from the U.S., EU, Japan and others. Ma noted that Taiwan's draft resolution at the UN last fall, calling for Taiwan's participation in specialized UN organizations, had been very pragmatic, and Taiwan appreciated the U.S. response. Because almost all countries supported Taiwan's attendance at the WHA, Beijing must have decided early on to let Taiwan participate, Ma said.

One China, Different Interpretations

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16. (C) Ma said he frequently mentions the March 26, 2008 phone conversation between President Bush and Hu Jintao, which "legitimated and clarified" the 1992 consensus as meaning "one China, different interpretations." This had helped Ma convince the people that Taiwan's attendance would not be under the title of "one China." Also, the WHO invitation letter had referred to Yeh Ching-chuan as "Minister," and the Chinese translation of the WHO letter translated "Chinese Taipei" as "Zhonghua Taibei," not "Zhongguo Taibei (China Taipei)." The titles and arrangements for Taiwan at the WHA are all very good, and the DPP has little to criticize.

High-Level Cross-Straits Trust

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17. (C) The Director observed that Ma's efforts to recalibrate cross-Straits relations had been another important factor in the WHA breakthrough. According to Ma, Taiwan and the mainland have established a measure of high-level trust,

and Beijing understands that "We don't play games. That is very important." Ma expressed appreciation to the U.S. for sending a clear message about supporting cross-Straits rapprochement. This will help build a good atmosphere between the three sides (U.S., Taiwan, PRC), Ma observed.

#### Plans to Attend El Salvador Inauguration on Track

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18. (C) Ma said he was planning to attend the presidential inauguration in El Salvador, unless Health Minister Yeh advised otherwise. He confirmed he is dropping the stop in Honduras this time, but insisted there is "no big problem" in the relationship. Although the Legislative Yuan (LY) cut funding for a proposed BOT power project in Honduras, financing could be obtained elsewhere, and Taiwan (Taipower) was still planning to provide technical assistance, which was more important. Given the rapid cross-Straits rapprochement, Ma suggested, the mainland now understands how destructive it would be if Taiwan were to lose a diplomatic ally. Therefore, Taiwan's 23 diplomatic relationships are relatively stable. Also, Taiwan's diplomats have regained their dignity and can say no in some cases (to unwarranted demands from allies).

#### Japan Representative Saito's Controversial Remarks

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19. (C) Ma raised the controversy caused by Japan Interchange Association Director Masaki Saito's recent remarks suggesting that Taiwan's status is undetermined. Ma noted he had written an article on the 22-year life span of the concept of Taiwan's undetermined status. President Truman, the first to say Taiwan's status was undetermined, made the statement as part of master strategy related to the Korean War and Cold War. At the time of the Shanghai Communiqué in 1972, the U.S. and the UK both changed their position on the issue but did not make their new position very clear. Ma wondered whether the U.S., after the 1972 Shanghai Communiqué, had ever said Taiwan's status was undetermined. Although Taiwan has not asked Saito to leave, he inadvertently stuck his head into the most sensitive issue, and "he will have a lot of difficulties to discharge his duties effectively," Ma predicted. According to Ma, Saito had made similar controversial remarks in the past to the Rotary Club and to a gathering of provincial officials.

#### Beef

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110. (C) The Director asked Ma where Taiwan stood on the beef issue. It has been our hope that the full opening of Taiwan's market could occur soon, as Su Chi had suggested, possibly as early as mid-May, but in any event by June. Much hinges on our successful management of this issue as we look ahead to other issues in the bilateral trade relationship.

111. (C) Ma began by acknowledging the importance of this issue, and stated his intention to open the Taiwan market by mid-June to U.S. exports of bone-in beef in cattle under thirty months. However, Health Minister Yeh Ching-chuan remains quite concerned about a potential backlash from consumer organizations over the two categories of "internal organs" and "ground beef." Yeh, Ma continued, believes Taiwan consumer groups are not yet ready for import of these parts, which Ma stressed he has been told account for only 4 percent of total U.S. export potential. The idea was to open to the other 96 percent in June, and then wait about six months before doing a review and proceeding with the rest of the opening. Yeh, Ma explained, remains quite cautious about these last aspects of the problem, and has urged Ma not to move on them in the first tranche, but to go about it in a second stage.

¶12. (C) The Director responded by indicating how disappointed Washington policymakers will be to hear this proposal, rather than a decision to open the markets fully at one time. The Department of Health (DOH)-sponsored risk assessment completed at the beginning of this year had found infinitesimal risk factors for all cattle parts, the Director underscored, and furthermore, the four months of risk communication that DOH has conducted has not shown real opposition to full opening, as far as our monitoring of the process has shown. The Director also recounted how Su Chi's discussions in Washington last September and all our exchanges since have focused on the importance of reaching a science-based decision, grounded in OIE standards. U.S. practices meet OIE standards, and the DOH risk assessment bears this out. Minister Yeh will understand that he takes a much greater risk to his health by riding his bicycle on the streets of Taiwan, than in consuming any of the categories of U.S. beef in question. Besides, this is not a matter of what portion, four percent or more, of the market is involved, but is grounded in the principle of a scientific solution.

¶13. (C) The Director urged President Ma to go back to

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Minister Yeh and press him to move forward on complete opening in one package. Ma pointed out that Yeh is currently polling as Taiwan's most popular cabinet member (Comment: largely as a result of his management of H1N1 and his role in the WHA breakthrough). The Director suggested Yeh should use some of that capital to make the beef decision quickly. Waiting will not change things, except to give any critics more confidence that they can bully the government into not completing the process. Yeh needs the political cover of his President, the Director suggested, and he encouraged Ma to let him know he would stand with his Health Minister in the decision to fully open by June.

¶14. (C) Ma acknowledged that Yeh is cautious, and that this isn't about the science. But he repeated Yeh's concern that full opening could be criticized domestically. He also acknowledged that such a partial opening might be a problem for us with South Korea. The Director agreed that this was a problem, since we could not very well justify holding Seoul to one standard and Taipei to another. The Director said he would report back what Ma had proposed, though it was very likely to be received with disappointment.

¶15. (C) Ma said perhaps the interval between initial opening to bone-in beef and full opening could be shortened from six to 3-4 months, or even less. The Director responded that whatever the interval, if we announced that we were not reaching a comprehensive opening, it would be a political problem for us, and would spill over to the broader trade relationship at a time when we should be moving forward. Friends of Taiwan in the administration, Congress and industry would find this approach hard to understand. He also reminded Ma that we need to work on other agricultural issues, including rice and MRLs. The new team is coming on board in USTR, and we have much catch up work to do. So resolving beef soon and comprehensively is key to our trade relationship.

¶16. (C) The Director then suggested that if Ma was unable for political reasons to work out full opening of the market now, one possibility, which he stressed was only his own idea, and might not find favor in Washington, would be to announce a full opening, with the quiet understanding that there might be a short delay of perhaps three months before offals and ground beef began to be shipped. Ma expressed some interest in exploring this idea. The Director quickly repeated that the much surer approach to resolving the issue would be for the President to persuade Minister Yeh that the domestic political risk to full opening soon was manageable and would be shared by his boss.

¶17. (C) On the way out of the meeting, the Director stressed

to Su Chi the importance of the president and he working to persuade Yeh to bite the bullet and get this problem solved. Yeh needs political support from his boss, the Director suggested. Su agreed that Yeh, whom he has been getting to know better these past few months, seems excessively cautious. He promised to work with President Ma to urge Yeh to reconsider.

Comment:

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¶18. (C) Overall, President Ma seemed comfortable with the current state of his foreign policy, particularly involving cross-Strait issues, and not overly concerned about criticism from his opposition. On beef, while not what we had wanted to hear, this response from Ma is consistent with what we have been hearing recently from officials in both NSC and DOH. While the bulk of the Director's response was to

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highlight the dangers of the approach Ma has proposed, and to urge his intervention with Yeh to get to full opening by June, he also emphasized the importance of avoiding announcing a two-phased opening, even if the Taiwan side still insists on a short interval between bone-in and the two categories of offals and ground beef. On other issues, Ma's caution on international initiatives seems well thought out, as do the plans to try to make a positive contribution on health issues at the WHA. His comments on Director Saito suggest that Ma may be hoping Japan will withdraw him and assign someone less prone to making controversial remarks.

YOUNG